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United Nations Conference on Trade and Development

TRADE AND DEVELOPMENT BOARD

Twenty-second session

SUMMARY RECORD OF THE 550th MEETING

held at the Palais des Nations, Geneva
on Tuesday, 17 March 1981, at 3 p.m.

President: Mr. MARSHALL (United Kingdom)

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Evaluation of the world trade and economic situation and consideration of issues, policies and appropriate measures to facilitate structural changes in the international economy, taking into account the interrelationships of problems in the areas of trade, development, money and finance with a view to attaining the establishment of a new international economic order and bearing in mind the further evolution that may be needed in the rules and principles governing international economic relations (continued)

Interdependence of problems of trade, development finance and the international monetary system (continued)

Implementation of Trade and Development Board resolution 165 (S-IX) on the debt and development problems of developing countries (continued)

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Institutional, organizational, administrative and related matters:

(b) Announcement of any changes in the membership of the Board and election to membership of main Committees

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Sixth session of the United Nations Conference on Trade and Development: place, date and duration (continued)

Progress in the implementation of specific action related to the particular needs and problems of island developing countries

5. The protectionism practised by a number of developed market-economy countries, above all in western Europe, where safeguard clauses and anti-dumping procedures were current practice, and because it periodically caused problems, there was increasing frequent, and in many cases arbitrary, application of protectionist measures. His country would support the developing countries in their efforts to eliminate any discrimination and protectionism in the interests of all countries concerned. The establishment of effective control over the activities of transnational corporations had an important part to play in those efforts. Close attention should be paid to all these questions in UNCTAD.

6. In his statement at the eleventh special session of the United Nations General Assembly, the Minister for Foreign Affairs of the German Democratic Republic had stressed the need for a democratic restructuring of international economic relations. The German Democratic Republic, as a socialist State, had always advocated the establishment of just and democratic international economic relations. In its commercial and economic relations with developing countries, it was guided by the democratic principles on which the justified demands for a new international economic order were based. According to its possibilities, it contributed to the implementation of the decisions taken by the United Nations General Assembly at its sixth special session and the provisions of the Charter of the economic rights and duties of States.

7. The international trade policy of the German Democratic Republic was founded on a high overall performance, even in 1981. Trade and economic relations with developing countries included about 150 agreements on scientific and technological co-operation and trade agreements, all based on the principles of equal rights, non-discrimination and mutual advantage. The share of manufactures and semi-manufactures in the German Democratic Republic's total imports from developing countries had been increasing constantly in recent years and the German Democratic Republic's exports to developing countries had increased by 26 per cent in 1981.

8. The German Democratic Republic was anxious to provide an even broader basis for peaceful coexistence between States with different social systems, and, as a result of persistent efforts, had concluded trade agreements or agreements on economic, scientific and technological co-operation with almost all industrialized market-economy countries.

9. His delegation hoped that the Board would play its part in maintaining and enlarging peaceful co-operation in the economic field among all States, especially as international co-operation and trade were not only an instrument for economic development but also an essential means for strengthening international security.

10. Mr. MEYER (Council for Mutual Economic Assistance), speaking at the invitation of the President, said that the current economic crisis was unquestionably hampering international economic relations. The year 1981 would see the tenth anniversary of the adoption by the States members of the Council for Mutual Economic Assistance (CMEA) of a programme for the extension of mutual co-operation on the basis of socialist integration. It was a comprehensive practical programme of co-operation founded on respect for each country's sovereignty and designed mainly to boost each member country's production. In only ten years, very considerable progress had been

achieved, particularly in industrial development in Cuba, Mongolia and Viet Nam, in trade between member countries and in the improvement of national economic structures. Co-operation in the CMEA countries with various forms, including the co-ordination of the national five-year plans. A multilateral plan of integrated measures had been implemented for the period 1976-1980, and would be followed by a new multilateral plan for 1981-1985, accompanied by bilateral and multilateral agreements.

11. Co-operation in the sphere of energy and fuels was of prime importance; an notable project in that field was the construction of the 2,750-km "Soyuz" gas pipeline, which would enable the Soviet Union to supply the East European socialist countries participating in it. The promotion of socialist economic integration was an important component of the co-operation programme established by CMEA.

12. The States members of CMEA furnished considerable assistance, mainly in the fields of natural resources, transport and agriculture, to the developing countries to enable them to achieve economic independence, and supported their efforts to establish a new international economic order.

13. The capitalist economic crisis had led, in the market-economy countries, to the application of an ever-increasing number of protectionist measures, which hurt the member countries of CMEA, block the developing countries, and hindered their participation in the international division of labour.

14. In conclusion, he expressed the hope that greater success in international economic relations and in the International Year of Peace, to which the States members of CMEA were willing to contribute in co-operation with all other States, hinged on the creation of a climate of peace and détente, reductions in expenditure on and stocks of arms and the cessation of the arms race.

INSTITUTIONAL, ORGANIZATIONAL, ADMINISTRATIVE AND RELATED MATTERS (agenda item 10)

(a) APPOINTMENT OF ANY COMMITTEE OF THE WHOLE OF THE BOARD AND ELECTION OF CHAIRMEN OF THE MAIN COMMITTEES

15. The PRESIDENT named the countries which had applied to become members of the main committees and proposed that the Board should confirm the membership of the main committees (TD/B/529, annex VII) as modified by the addition of the States he had just named.

16. It was so decided.

(c) DESIGNATION OF INTERGOVERNMENTAL BODIES FOR THE PURPOSES OF RULE 76 OF THE RULES OF PROCEDURE (TD/B/L.24 and Add.1 to 3)

17. The PRESIDENT invited the Board to take a decision on the applications submitted by the Ministerial Conference of East and Central African States on Maritime Transport, the Intergovernmental Committee for Migration and the Arab Monetary Fund. If there was no objection, he would take it that the Board approved the designation of those intergovernmental bodies for the purposes of rule 76 of the rules of procedure.

18. It was so decided.

(d) DESIGNATION AND CLASSIFICATION OF NON-GOVERNMENTAL ORGANIZATIONS FOR THE PURPOSES OF RULE 79 OF THE RULES OF PROCEDURE

19. The PRESIDENT said that there were no applications requiring consideration under that agenda item.

SIXTH SESSION OF THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT: PLACE, DATE AND DURATION (agenda item 6) (TD/B/843; TD/B/888) (continued)

20. Mr. OMEIBI (Libyan Arab Jamahiriya) said that he was surprised that the choice of the place for the sixth session of the Conference gave rise to discussion. The choice ought normally to be made on the basis of a single criterion, namely the capacity of the country which had offered to act as host to the Conference to provide the services necessary for the smooth conduct of the work. His delegation considered that Cuba offered all the necessary guarantees in that regard. In those circumstances, it seemed nothing less than surprising that some delegations sought to impose other criteria for the choice, which would constitute a dangerous precedent for the future of UNCTAD in so far as the problem might recur in respect of future sessions.

21. Mr. BIXON (Australia) considered that such an important decision had to be taken by consensus. The sixth session of the Conference would be a very important phase in the North-South dialogue, and it would be unfortunate if its success was jeopardized by the absence of a consensus which was decisive for the future of UNCTAD.

22. Mr. EWERLÖF (Sweden) said that the Nordic countries, on behalf of which he was speaking, firmly believed that the debate should not be allowed to develop into a confrontation issue, which might have adverse effects on the future of UNCTAD. Since a consensus seemed impossible for the moment, the Nordic countries urged that the question should be deferred until the Board's next session so that, in the intervening period, a solution might be found through consultations between the interested parties, enabling the Board to decide by consensus.

23. Mr. O'NEILL (New Zealand) thought that the point at issue was not merely where the Conference's next session would be held. The problem was far more complex, and the decision might have important consequences, particularly for small countries like his own. It should therefore be settled in a constructive way; it seemed essential to reach a consensus, which would strengthen the principle of interdependence and promote the achievement of the objectives of UNCTAD and of the North-South dialogue.

24. Mr. SAID OSMAN (Somalia) said that the Cuban Government's offer to act as host to the sixth session of the Conference had elicited from many countries a hostile response that was unprecedented in UNCTAD's history. There were clearly profound divergences of view concerning the choice of Cuba as host country. Somalia, for its part, was utterly and flatly opposed to it. It would be extremely unfortunate if the sixth session was held in a country whose Government had antagonized many peace-loving and freedom-loving countries in Africa and Asia by entering the service of a Superpower which pursued an oppressive policy and whose designs might be described as hegemonistic, and even imperialistic. In those circumstances, a consensus seemed out of the question and it was to be hoped that Cuba would formally and unconditionally withdraw its offer to act as host to the Conference's next session.

25. Mr. ALLEN (Iraq) expressed surprise at the reasons advanced by those who sought to block the Cuban Government's proposal. In view of the role played by Cuba in the non-aligned movement, his delegation would like the sixth session of the Conference to be held at Havana.

26. Mr. de CARVALHO (Portugal) thought it was vital, in order to ensure the success of the sixth session of the Conference, for all member countries to take part in it. A location likely to be acceptable to all must therefore be selected. That was why he firmly hoped that it would be possible to reach a consensus.

27. Mr. CHAN (Singapore) noted that forecasts for the 1980s were pessimistic and that during that period there would be economic difficulties even more serious than during the previous decade. It was therefore important for UNCTAD to be able to continue to play its role, which consisted of helping to resolve economic problems, above all in the North-South dialogue. In order not to jeopardize the sixth session's chances of success and court a failure which would be harmful, particularly to the developing countries, it would be better for the choice of venue for the session to be acceptable to all. It now seemed that there would not be a consensus on Cuba's offer. In the circumstances, his delegation would be reluctant to participate in the sixth session were it to be held at Havana.

28. Mr. ZAFIMAHOVA (Madagascar) said that the fact that the issue of the place for the next session of the Conference had given rise to a debate constituted discrimination against a State Member of the United Nations. He believed that the best way of protecting UNCTAD's interests would be to hold the session in Cuba. If the Board decided otherwise, it would create an undesirable precedent and might jeopardize the future of UNCTAD. His delegation considered that Cuba fulfilled all the requirements for hosting the sixth session and could only commend the Cuban Government on the efforts which it had made and would continue to make and which were a guarantee that the work of the Conference could be conducted in suitable conditions.

29. Mr. PASQUIER-ARGUELLO (Nicaragua) said that his delegation accepted Cuba's offer to host the sixth session of the Conference. The attitude of those who were rejecting that offer was all the more extraordinary since the reasons they were giving did not even claim to be logical. They claimed that the choice of place was not an automatic one since, for the session to be successful, support from all the participants, or unanimity, was needed. In practice that argument amounted to declaring consensus as a means of agreement imperative, whereas that word meant precisely that it was not necessary to have unanimity when no objective reasons militated against the action proposed. Those who advocated further consideration were actually suggesting the arbitrary imposition of a requirement to justify the decision. In his delegation's opinion, it was more appropriate to think about the detrimental consequences that a precedent such as the refusal of the Cuban Government's offer would have for UNCTAD and similar organizations. It was surprising that the issue had given rise to a debate.

30. Mr. VIERA LEDUC (Cuba) said that he had pressed for a debate on agenda item 6 in order to bring into the open the pressure being exerted by the United States delegation on the other delegations. In its statement the previous evening, that delegation had, in fact, revealed the real motive for its opposition, which was nothing less than breaking off international dialogue in order to return to the cold war. In those circumstances, it was reasonable to ask whether the United States was really concerned with the interests of UNCTAD. Its attitude in

the international organizations suggested that it was not, for it tended invariably to paralyse important deliberations such as the global negotiations or the Conference on the Law of the Sea. Thus it was obvious that the impasse in economic co-operation was and had always been essentially attributable to the United States. In 1964 it had already opposed nine of the fifteen general principles voted by the Conference, in particular the first four: sovereignty of States, freedom to dispose of their natural resources, non-interference in the internal affairs of other States and freedom of trade.

31. Cuba was deeply concerned about that hostility towards international economic co-operation, which jeopardized the very future of UNCTAD and the United Nations. The Board, and especially the Group of 77, could not accept blackmail and arbitrary demands as means of negotiation. As for the consensus which many delegations, especially those of Group D and of Singapore, were defending, it should be recalled that the venue of previous sessions of the Conference had not always been chosen by consensus. For example, the United States delegation had campaigned against the choice of Santiago, which had not prevented the Conference from meeting there.

32. In any case, his delegation doubted that the problem of a decision on the next session of the Conference could be resolved by recourse to dilatory manoeuvres.

33. Mr. HELMAN (United States of America) said that the remarks of the Cuban delegation only confirmed the arguments against choosing Havana for the sixth session of the Conference.

34. Mr. ATAMANOV (Union of Soviet Socialist Republics) pointed out that the Board had been expressly requested to arrange for the next session of the Conference and in particular to decide upon its place, date and duration, which at first appeared simple. If the Board could not manage to fulfil such a simple task, how could it be expected to deal with more complex problems? The invitation given by Cuba at the tenth special session of the Board and repeated at the fifth session of the Conference had given rise to no objections at Manila, and thus Conference resolution 107 (V) had been adopted, confirmed by General Assembly resolution 34/196 (paragraph 23). As for the consensus principle so confidently invoked by some delegations, there appeared indeed to be a consensus, since the Group of 77 and Group D were, on the whole, in favour of holding the session in Cuba, and in Group B only one country was opposed. The arguments adduced in support of the principle of consensus seemed to show a curious interpretation of that principle, implying that if there was general agreement but one country was opposed, there was no longer consensus. That interpretation, debatable at the very least, was a disturbing one for the international forums. In fact the real problem, which the Cuban delegation had quite correctly seen, was not so much a matter of where to hold the next session. It was basically a matter of the sincerity of the intentions of some countries or governments in the area of international co-operation.

35. Mr. MORAN LOPEZ (El Salvador) said that his country endorsed the principles of UNCTAD's universality, of negotiation and of flexibility as a basis for arriving at solutions by common consent.

36. The difficulties created by the general crisis in the world economy should be a warning to the international community and should put it on its guard against attitudes which would run the risk of aggravating the crisis. International agreement, understanding and co-operation represented the wisest course to adopt in trying to resolve the problems of the world economy. They were the foundation of the mandate of UNCTAD.

37. His delegation had followed with interest the efforts made individually and collectively by some countries to take the initiative in seeking well-thought-out solutions to international economic problems, whether through a new North-South dialogue or a South-South dialogue. It did not wish to run against those efforts, but on the contrary wished to help to find solutions.

38. His delegation believed that, in deciding on the place for the next session of the Conference, account must be taken of the need to facilitate international efforts in the area of co-operation in trade and development, and therefore of the world economic situation, the principle of common consent and the universality of UNCTAD. It therefore thought that the decision should be taken by consensus. Experience had shown that decisions adopted in other ways had not always been the most successful. In the present case, the main concern should be the success of the sixth session of the Conference, but it had to be admitted that views on the Cuban Government's invitation were far from unanimous and that even the Group of 77 was divided.

39. His delegation believed that the question had been fully debated. For its part, it would only accept a decision by consensus and it reserved the right to take a position with respect to the Conference at a later date.

40. The PRESIDENT said that, after consulting the delegations of Cuba and the United States and the co-ordinators of the regional groups, he thought it would be advisable to postpone the final decision concerning the place of the sixth session of the Conference until the twenty-third session of the Board. He suggested that the Board should do so.

41. It was so decided.

PROGRESS IN THE IMPLEMENTATION OF SPECIFIC ACTION RELATED TO THE PARTICULAR NEEDS AND PROBLEMS OF ISLAND DEVELOPING COUNTRIES (agenda item 9) (TD/B/C.7)

42. Mr. GALLEGOS (Chief, Special Programme for least developed, land-locked and island developing countries) said that the paper before the Board examined a number of factors generally thought to constitute special constraints to the economic development of island developing countries. The paper rested to a large extent on the recent work done elsewhere in that field, but supplemented it by original research carried out in the UNCTAD secretariat where necessary.

43. From the main conclusions it appeared that there were few issues which were a cause of common concern for all island developing countries and that others, which were a concern for many island countries, were in fact shared with other developing countries which were not islands. Nevertheless, there were a number of issues which interested a sufficient spread of island developing countries to be worth considering as areas for specific action by the United Nations system. Those issues, listed in the last paragraph of TD/B/C.7, could be usefully examined in detail by an intergovernmental group of experts if the Board decided that such a group should be convened.

44. The UNCTAD secretariat intended to continue reviewing the special economic problems of island developing countries, as required by Conference resolution 111 (V). For example, a consultant was studying the extent to which the integrated programme for commodities could resolve those countries' export earnings difficulties.

45. The secretariat was also continuing to respond to requests for technical assistance from those countries on subjects of particular interest to them within the area of competence of UNCTAD.

The meeting rose at 5.45 p.m.